

WILLOWACRE TRUST

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018

Company registration number: SC073356
Scottish charity registration number: SC015567

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Willowacre Trust
Annual report and financial statements
For the year ended 31 March 2018

Legal and administrative information

Charity name: Willowacre Trust

Charity registration number: SC015567

Company registration number: SC073356

Trustees

L. Donnelly

F. Greenlaw

E. Lennie

J. Pitcairn

J. Millar (Chairperson resigned 21/11/17)

K Watson

A Devine

D Grant

E Davidson (Chairperson appointed 15/05/18)

Company Secretary

Jennifer Cairns

Principal and Registered office:

Camlachie House, 40 Barrowfield Drive, Glasgow, G40 3QH

Auditors

Alexander Sloan

180 St Vincent Street

Glasgow

G2 5SG

Bankers

Barclays Bank plc

1st Floor

Aurora House

120 Bothwell Street

Glasgow

G2 7JT

Solicitors

TC Young LLP

7 West George Street

Glasgow

G2 1BA

Directors' Report for the year ended 31 March 2018

The trustees are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Structure, governance and management

The Willowacre Trust is a private company limited by guarantee and is a charity recognised by Her Majesty's Revenue and Customs. Each member has agreed to contribute £1 in the event of the company being wound up. The Trust is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988. All Directors are also Trustees.

Trustees who served during the year, and subsequently, are:

L. Donnelly
F. Greenlaw
E. Lennie
J. Pitcairn
J. Millar
K Watson
A Devine
D Grant

The members retiring by rotation are:-

J. Millar
L. Donnelly

Method of Appointment

Members are appointed to the Board of Trustees within the terms of the Trust's Memorandum & Articles of Association (Article 52 refers), whereby up to one third of the members retire by rotation at the Annual General Meeting. West of Scotland Housing Association has the authority to nominate four members to the Board of Trustees.

Governance

The Board have a robust governance manual in place, however they are currently reviewing this to reflect relevant learning from a recent Governance Review carried out by the Parent, West of Scotland Housing Association. As part of the review, the Board have updated their Board Code of Conduct, revised their annual review and development process and agreed an approach to carrying out a self assessment of their governance.

As part of the ongoing governance consideration a formal induction and appraisal system is in place with a view to identifying training requirements. This year, Board Training included Finance Training, Governance Training and Health and Safety, Role of the Employer.

Directors' Report for the year ending 31 March 2018 (cont'd)

Trustee Training and Induction

2. Objectives and activities

Willowacre Trust strives to assist families and individuals within Glasgow and the surrounding areas to overcome difficulties and sustain their homes. As an operating subsidiary of West of Scotland Housing Association Ltd (the 'Association'), the charity's overarching aim is to tackle social and economic issues within the communities served by the Association.

Achievements and performance

The accounts show that the charity has net assets of £343,127 (2017: £396,462).

Income in the year included £77,260 (2017: £74,769) of grants for restricted purposes. These grants were £66,500 from Glasgow City Council's Integrated Grant Fund (2017: £66,500); and £10,760 from Community Jobs Fund Scotland (2017: £10,269).

The deficit for the year was £53,335 (2017: Deficit £42,804). No donations were made to the Trust.

The Trust operates within the geographical areas served by the Association which includes six local authority areas and thirteen separate geographical areas within the city of Glasgow. The Trust assists in the delivery of various support services and activities ranging from the upgrade of multi-use games areas to the provision of starter packs (essential household items to help disadvantaged tenants sustain tenancies). The Trust also operates a Community Centre and assists with the delivery of community activities in partnership with other agencies, including employment and training initiatives and the advancement of citizenship and community development. The Trust acts as a conduit assisting with the implementation of community development activities which evolve through the Association's 'Building Sustainable Communities' Strategy.

Willowacre Trust Development

Significant work continued to be undertaken in the year supporting Willowacre Trust to deliver additional community and support services and projects. Aspects of this work are outlined below.

Opportunities Fund

Willowacre Trust has offered assistance to multiple individuals and families who are the most vulnerable and in need via the Opportunities Fund. The Trust targets assistance to WSHA tenant households who are experiencing stress or mental health issues, severe financial hardship and or homelessness. The primary aim of this work is to assist with tenancy sustainment.

Starter Packs Project

Willowacre Trust's starter pack provision continued in 2017/18. The Trust provided **56** vulnerable families and individuals with a starter pack for their new home. This service has assisted new tenants who have been provided a home via a section 5 referral, or supported by women's aid or who had experienced significant mental health or other issues. The Trust's starter packs include additional items in an effort to strengthen the dignity and respect of the families and individuals who receive them. The Trust is conscious that a large percentage of people who receive starter packs are vulnerable or marginalised by their circumstances and that the assistance offered is underpinned by supporting resilience and dignity. This core service continues to assist the Trust to increase its impact on the lives of others.

Directors' Report for the year ended 31 March 2018 (cont'd)

Community Centre

Willowacre Trust operates the Barrowfield Community Centre in Glasgow. The Trust employs community Centre operatives and these Officers are responsible for making up starter packs. The community Centre has a number of anchor tenants who also deliver key services within the local community. The community Centre also hosts community events, services and supports the delivery of youth diversionary activities.

Table 1 below provides details of the centre footfall in the year to March 2018.

Footfall Breakdown	Total Footfall
Activities and Events Directly Facilitated by Willowacre Trust / West of Scotland (e.g. Seasonal Activities, Mindfulness, Under 10s Computer Club, Fruit Barra, Urban Stars)	1,397
Community Bookings (Birthday Parties, Funerals, Rehearsal Spaces)	905
Partnership Working & Block Bookings	6,614
Other (Sign In Sheets, One off Corporate Bookings)	2,308
Anchor Tenants services , events , meetings	7,012
TOTAL	18,236

Older People's Services

The Trust works in partnership with the Association to deliver support and activity programmes for older people particularly for those living in sheltered housing. These services seek to improve older people's levels of happiness, health, wellbeing as well as address social isolation.

Willowacre Trust employs Retirement Assistants who continue to deliver essential services within the Glasgow complexes located in Gourlay Street and Denmilne Gardens. The Retirement Assistants have provided emotional and practical support to **103** tenants.

Other Activities facilitated by the Retirement Assistants are as follows:

- Morning calls
- Assisting with Health issues and crisis
- Family Liaison
- Arts & Crafts
- Daily Cuppa
- Movie Club
- Bingo

The Older Person Support Worker has engaged with 1,200 older tenants during 2017/18 and has also been working directly to support the Retirements Assistants. Work was undertaken on the Wellbeing for longer funding stream which has been successfully secured this will sustain our sheltered support activities. New training will be undertaken on the new OOMPH programme.

The Older Person Support Worker, Energy Advice Officer and the Retirement Assistants have assisted with the installation of new meters at our sheltered housing sites at Beil Drive and Bulldale Place. As part of this work they have supported tenants with the roll out of the new billing system and enabled tenants to set up direct debits for their energy supply.

Food Parcels

The Trust has a partnership with the Trussell Trust and provides food parcels to individuals and families who are experiencing difficulties and financial hardship. In the period 2017/18 **61** families were provided with food parcels. Support is offered across multiple communities and this project seeks to address both the stigma associated with accessing food bank and address the issues associated with food poverty.

Directors' Report for the year ended 31 March 2018 (cont'd)

Handy Person Services

The Trust works in partnership with the Association to deliver the handyperson service. During the year the Handy Person Service continued to receive referrals at an average of **5.2** per week. A total of **257** referrals were received in the year to March 2018. **223** of these jobs were completed and the remaining **34** were not completed due to the individual tenant's circumstances. The work undertaken included:

- Garden tidy Ups
- Building Furniture
- Internal and external Decoration
- Hanging curtains or pictures

The Handy Persons Service is offered to WSHA tenants who are aged 60 plus, are disabled or are a vulnerable family. This service is for individuals or families who find it difficult to undertake certain household tasks and minor odd jobs. Willowacre Trust employs the Handy Persons and Handy Person's Assistant. These people have been carefully selected and have been subject to a disclosure check.

Money and Energy Advice Services

The Trust works in partnership with the Association to deliver money and energy advice services.

The Energy Advice Service continues to receive referrals which have required home visits. There have been **170** referrals in the year equating to **3.4** referrals per week. There are currently **31** live cases, some are related to billing errors and a number are awaiting the outcome for Energy Trust applications.

The Money Advice Service continues to receive referrals which require home visits. There have been **148** referrals in the year equating to **3** referrals per week. There are currently **14** live complex cases with multiple debts and negotiation is ongoing with creditors in relation to payment plans and debt write off.

Community Jobs Fund Scotland

The Trust has continued to provide employment opportunities for disadvantaged young people with financial support from Community Jobs Fund Scotland. The Trust will continue to participate in this programme by offering disadvantaged young people aged 16-24 years a positive work experience via entering employment placements and it will continue to seek funding from the Community Jobs Fund to enable this.

Plans for the Future

Willowacre Trust will continue to meet the needs of West of Scotland Housing Association tenants and communities. The Trust services and activities will remain focused on delivering the Association's Supporting 'Communities' Strategy launched in 2018.

In the year 2018/19, Willowacre Trust will continue to strive to increase the levels of community and support services it offers addressing the needs of the most vulnerable and disadvantaged tenants and communities.

Planned developments include but are not limited to the following areas:

- Digital Inclusion Support
- Health & Wellbeing Support
- Support Community Jobs Fund Posts;
- Supporting Work with schools
- Expand Support to Older people
- Community Assets Development

Directors' Report for the year ended 31 March 2018 (cont'd)

3. Reserves policy

Level of Reserves

The charity aims to hold reserves sufficient to fund the Barrowfield Community Centre for up to twelve months. The trustees will work to maintain reserves at this level.

Unrestricted Funds

General funds are unrestricted funds, which are available for use at the discretion of the trustees in delivering the charitable objectives of the company and have not been designated for any other purposes. Revenue reserves held at 31 March 2018 in the Income and Expenditure Account are £248,374 (2017: £233,974).

Designated funds

Designated funds comprise unrestricted funds, which have been set aside by the trustees for charitable purpose. In order to deliver the intended support services and activities the Board of Trustees has approved the creation of a series of 'Designated Funds', the aims and objectives of which are set out within note 13.

Revaluation reserve

Gains or losses on the revaluation of fixed assets are taken to the revaluation reserve except when losses would reduce the carrying value to below the initial cost of the asset, in which circumstance losses would be taken to the income and expenditure account.

Restricted funds

Restricted funds comprise of funding received for a specific purposes and stipulated by donors and external funders. The aim and use of each of the restricted funds is set out in note 13 to the financial statements. There were no restricted funds at 31 March 2018 (2017: Nil).

4. Other policies

Investment policy

Willowacre Trust maintains a policy of reducing its exposure to investment risk by placing deposits with more than one organisation. Prior to investing funds the trustees consider the relative merits of the investing institution in terms of return and risk. No funds are invested in securities to limit risk exposure.

Risk management

The Board reviewed their Risk Management Policy this year and updated it to reflect the new risk management system in place. The Trust has a risk register in place and it is monitored on a quarterly basis by the Board. The Board also carried out a risk analysis of the Communities Strategy.

Going concern

Based on the available information, the trustees have a reasonable expectation that the Trust has adequate plans and resources to continue its operations for the foreseeable future. For that reason, the trustees continue to adopt the going concern basis in preparing the accounts.

Disclosure of information to Auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have

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taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Directors' Report for the year ended 31 March 2018 (cont'd)

Auditor

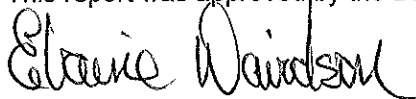
Alexander Sloan, accountants and business advisers, were appointed as auditors of the Trust on 26 September 2017.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Alexander Sloan will therefore continue in office.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption.

This report was approved by the Board on 14 August 2018



On behalf of the Board of Trustees
Elaine Davidson (Chairperson)

Date: 14 August 2018

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The trustees (who are also directors of Willowacre Trust for the purposes of Company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members and Trustees of Willowacre Trust

Opinion

We have audited the financial statements of Willowacre Trust for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members and Trustees of Willowacre Trust (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption in preparing the Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement (set out in the Directors' Report), the Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Members and Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its Members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed as Auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report

Independent Auditor's Report to the Members and Trustees of Willowacre Trust (continued)

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Opinion on other matters

The accounts for the year ended 31 March 2017 were audited by another firm of auditors. Their audit report dated 7 July 2017 gave an unmodified audit report.



Alison Devine (Senior Statutory Auditor)
for and on behalf of
Alexander Sloan
Accountants and Business Advisers and
Statutory Auditor

180 St. Vincent Street
Glasgow
G2 5SG

Date: 14 August 2018

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

SC073356

**Statement of Financial Activities for the period ended 31 March 2018
(incorporating Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income from					
Charitable activities	2	276,500	77,260	353,760	345,344
Investment income	3	118,967	-	118,967	133,806
Total income		<u>395,467</u>	<u>77,260</u>	<u>472,727</u>	<u>479,150</u>
Expenditure on					
Charitable activities	4	448,802	77,260	526,062	521,954
Total expenditure		<u>448,802</u>	<u>77,260</u>	<u>526,062</u>	<u>521,954</u>
Net movement in funds		(53,335)	-	(53,335)	(42,804)
Reconciliation of Funds					
Total funds brought forward		396,462	-	396,462	439,266
Total funds carried forward		<u>343,127</u>	<u>-</u>	<u>343,127</u>	<u>396,462</u>

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derive from continuing operations.

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Balance Sheet as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Investment property	9	225,000	225,000
Other fixed assets	9	<u>5,258</u>	<u>2,956</u>
		230,258	227,956
Current assets			
Cash at bank and in hand		146,356	201,993
Debtors	10	<u>16,085</u>	<u>17,742</u>
		162,441	219,735
Creditors			
Amounts falling due within one year	11	<u>(49,572)</u>	<u>(51,229)</u>
Net current assets		112,869	168,506
Total assets less current liabilities		<u><u>343,127</u></u>	<u><u>396,462</u></u>
		2018 £	2017 £
The funds of the charity			
Unrestricted funds			
General funds	13	248,374	233,974
Designated funds	13	18,600	86,335
Revaluation reserve	13	<u>76,153</u>	<u>76,153</u>
		<u><u>343,127</u></u>	<u><u>396,462</u></u>

The financial statements have been prepared in accordance with Part 15 of the Companies Act relating to small companies.

The financial statements were approved by the trustees and authorised for issue on 14 August 2018 and signed on their behalf by:



Elaine Davidson
Trustee

Date: 14 August 2018

Registered charity number SC015567

Notes to the Financial Statements

1. Accounting policies

Basis of preparation and statement of compliance

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant Notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Accounts in accordance with Financial Reporting Standard 102 (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trust is a company limited by guarantee and the extent of the guarantee made by each member is £1.

Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Trustees for a purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.

Income

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Deferred income

Rental income paid by tenants in advance is held as deferred income.

Grants receivable

Income from government and other grants, whether 'capital' or 'revenue' in nature, is recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

Notes to the Financial Statements (cont'd)

1. Accounting policies (cont'd)

Expenditure on Charitable Activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The cost of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Other expenditure

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities and is recognised when it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Governance costs

Governance costs allow the charity to operate and generate information required for public accountability and can include audit costs, legal advice to trustees, costs associated with constitutional and statutory obligations, trustees' meeting costs and preparation of statutory accounts.

The Trust uses staff employed by West of Scotland Housing Association in managing the charity and delivering services and therefore a share of overheads is charged to the charity to cover these costs.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

Investment properties

In accordance with FRS 102, section 16, investment property values are assessed annually by the trustees and independently valued by chartered surveyors every five years, to ascertain the increase, decrease or impairment in the value of investment property. The aggregate surplus or deficit is transferred to the revaluation reserve and no depreciation is provided in respect of freehold or leasehold investment properties with over twenty years remaining.

Fixtures and fittings

Fixtures and fittings are depreciated at 25% per annum on cost. A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1. Accounting policies (cont'd)

Judgements and estimates

In preparing the financial statements, the Trustees are required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Reserves policy

The reserves of Willowacre Trust are unrestricted unless funds have been donated or awarded for a specific purpose, in which case they are classed as restricted, or trustees agree to designate funding for a specific purpose. Restricted funds consist of grants that are awarded by external bodies and the Trust is responsible for ensuring that funds are expended in accordance with the conditions of the grant. Such funds are held as restricted until they are fully utilised. Designated funds are set aside following trustees' approval to be used for specific charitable purposes in accordance with the Trust's objects.

The major repairs reserve is intended to meet the future costs of works required to maintain the G31 centre. Where possible, an annual sum will be transferred from the operating surplus to the major repairs reserve to build this fund.

Gains or losses on the revaluation of fixed assets will be taken to the revaluation reserve except when losses would reduce the carrying value to below the initial cost of the asset, in which circumstance losses would be taken to the income and expenditure account.

Corporation tax

Profits are earned from rental income and interest in the course of carrying out the charity's stated charitable purpose and therefore are not liable to corporation tax.

2. Income from charitable activities

	2018	2017
	£	£
<u>Unrestricted funds</u>		
Grants and other income	276,500	270,575
<u>Restricted Funds</u>		
Community Jobs Fund Scotland grants	10,760	8,269
Glasgow City Council Integrated grants	66,500	66,500
	<u>353,760</u>	<u>345,344</u>

3. Investment income

	2018	2017
	£	£
Rental income	105,345	119,243
Barrowfield Centre bookings income	13,309	14,119
Bank interest	313	444
	<u>118,967</u>	<u>133,806</u>

Notes to the Financial Statements (cont'd)

4. Cost of charitable activities

	2018	2017
Charitable projects costs	17,045	14,871
Employment costs	378,189	373,020
Office Repairs and Renewals	26,442	25,914
Other Overheads	<u>104,386</u>	<u>108,149</u>
	<u>526,062</u>	<u>521,954</u>

5. Staff Costs

	2018	2017
	£	£
Wages and salaries	336,091	337,618
Social security costs	27,210	27,471
Pension Costs	<u>14,888</u>	<u>7,931</u>
	<u>378,189</u>	<u>373,020</u>

Staff costs are included in the Statement of Financial Activities as costs of charitable activities.

The average number of staff employed in the period to March 2018 was 17 (2017: 16).

No employees earned emoluments over £60,000 (2017: nil).

No key management personnel received any remuneration during the year (2017: £Nil) as all remuneration paid was done so through the charity's parent entity, West of Scotland Housing Association Limited.

6. Trustees' emoluments

No trustees nor any person connected with them received remuneration, benefits, or reimbursed expenses during the year (2017: £Nil).

7. Net expenditure

	2018	2017
	£	£
Net expenditure is stated after charging:		
Depreciation and other amounts written off tangible assets	2,650	1,412
Auditor's remuneration - statutory audit	<u>3,012</u>	<u>4,186</u>

8. Tax on surplus on ordinary activities

No provision is required in respect of taxation as the company has been approved by HMRC as having charitable status.

Notes to the Financial Statements (cont'd)

9. Tangible fixed assets	Investment property	Fixtures and fittings	Total
	£	£	£
Cost or valuation at 1 April 2017	225,000	6,676	231,676
Additions	-	4,952	4,952
At 31 March 2018	<u>225,000</u>	<u>11,628</u>	<u>236,628</u>
Depreciation at 1 April 2017	-	(3,720)	(3,720)
Charge for the period	-	(2,650)	(2,650)
At 31 March 2018	-	<u>(6,370)</u>	<u>(6,370)</u>
Net book value at 31 March 2018	<u>225,000</u>	<u>5,258</u>	<u>230,258</u>
Net book value at 31 March 2017	<u>225,000</u>	<u>2,956</u>	<u>227,956</u>

An independent valuation was undertaken in January 2013 by Allied Scotland, RICS-qualified chartered surveyors, and the investment property was revalued to market value, resulting in a reduction in the carrying value. The historic cost prior to revaluation is £148,847.

10. Debtors	2018	2017
	£	£
Prepayments and accrued income	8,494	5,752
Amounts owed from parent undertaking	-	466
Trade debtors	7,591	11,524
	<u>16,085</u>	<u>17,742</u>

11. Creditors	2018	2017
	£	£
Amounts owed to parent undertaking	8,535	-
Accruals and deferred income	34,839	42,849
Trade creditors	-	1,418
Social security and taxes	6,198	6,962
	<u>49,572</u>	<u>51,229</u>

12. Control relationships

Willowacre Trust is a wholly owned subsidiary of West of Scotland Housing Association Limited, an Industrial and Provident Society. The Association is a registered Scottish charity, No SC0184186. The Association's registered office is Camlachie House, 40 Barrowfield Drive, Glasgow G40 3QH.

During the year the Association provided management services to Willowacre Trust for which a charge of £13,164 (2017:£9,500) was raised of which £nil (2017:£nil) was outstanding at the year-end. An amount of £8,535 (2017: £Nil) was due to the association in respect of other goods and services purchased by the association on behalf of the trust.

The Association also leases premises to Willowacre Trust for a nominal rent of £1 (2017:£1).

Control may be exercised by the parent through the appointment or removal of directors.

Notes to the Financial Statements (cont'd)

13. Funds

	1 April 2017	Incoming Resources	Outgoing Resources	Transfer between funds	31 March 2018
	£	£	£	£	£
Unrestricted Funds					
General funds	233,974	395,467	(448,802)	67,735	248,374
Designated Funds					
Major repairs reserve	25,428	-	-	(6,828)	18,600
Other designated funds	60,907	-	-	(60,907)	-
Revaluation reserve	76,153	-	-	-	76,153
Restricted Funds					
Community Jobs Fund Scotland Grants	-	10,760	(10,760)	-	-
Glasgow City Council Integrated Grants	-	66,500	(66,500)	-	-
Total	396,462	472,727	(526,062)	-	343,127

At the 31 March 2018, the following were held as designated funds.

	2018	2017
	£	£
Major repairs reserve	18,600	25,428
Opportunities Fund	-	3,356
Starter Packs	-	6,390
Assistant Regeneration Officer	-	27,387
Admin Support Officer	-	23,774
	18,600	86,335

Restricted Funds

The Community Jobs Fund aims to create employment opportunities for young people in Scotland's third sector. Willowacre Trust uses the grant income from the Community Jobs Fund to fund the cost of employing young people. During the year, there were 2 young people employed by the Trust under this scheme.

Glasgow City Council's Integrated Grant Fund provided an annual sum of £66,500 (2017: £66,500) to fund the cost of running the Barrowfield Community Centre. This is part of the £200,000 grant award for 2015/16 to 2017/18.

Notes to the Financial Statements (cont'd)

14. Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total funds
	£	£	£
Fixed assets	211,658	18,600	230,258
Current assets	162,441	-	162,441
Current liabilities	(49,572)	-	(49,572)
Closing balance at 31 March 2018	<u>324,527</u>	<u>18,600</u>	<u>343,127</u>